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BEFORE THE ARIZONA CORPORATION COMMISSION

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**COMMISSIONERS**

KRISTIN K. MAYES, Chairman 2009 APR 13 P 4: 44  
GARY PIERCE  
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AZ CORP COMMISSION  
DOCKET CONTROL

IN THE MATTER OF THE APPLICATION OF  
VALENCIA WATER COMPANY – TOWN  
DIVISION FOR THE ESTABLISHMENT OF  
JUST AND REASONABLE RATES AND  
CHARGES FOR UTILITY SERVICE DESIGNED  
TO REALIZE A REASONABLE RATE OF  
RETURN ON THE FAIR VALUE OF ITS  
PROPERTY THROUGHOUT THE STATE OF  
ARIZONA

DOCKET NO. W-01212A-09-0082

**NOTICE OF FILING**

Valencia Water Company – Town Division files an updated H-3 Schedule.

RESPECTFULLY SUBMITTED this 13<sup>th</sup> day of April 2009.

ROSHKA DEWULF & PATTEN, PLC

By

Michael W. Patten

Timothy J. Sabo

One Arizona Center

400 East Van Buren Street, Suite 800

Phoenix, Arizona 85004

Arizona Corporation Commission

**DOCKETED**

APR 13 2009

DOCKETED BY

*Attorneys for Valencia Water Company*

*– Town Division*

1 Original +13 copies of the foregoing  
2 filed this 13<sup>th</sup> day of April 2009, with:

3 Docket Control  
4 Arizona Corporation Commission  
5 1200 West Washington  
6 Phoenix, AZ 85007

7 Copies of the foregoing hand-delivered/mailed  
8 this 13<sup>th</sup> day of April 2009, to:

9 Lyn A. Farmer, Esq.  
10 Chief Administrative Law Judge  
11 Hearing Division  
12 Arizona Corporation Commission  
13 1200 West Washington  
14 Phoenix, AZ 85007

Ernest G. Johnson, Esq.  
Director, Utilities Division  
Arizona Corporation Commission  
1200 West Washington  
Phoenix, AZ 85007

15 Janice Alward, Esq.  
16 Chief Counsel, Legal Division  
17 Arizona Corporation Commission  
18 1200 West Washington  
19 Phoenix, AZ 85007

By Debbie Amarel

**Monthly Minimum Charges:**

| Meter Size (All Classes) | Basic Service Charge |          |          |
|--------------------------|----------------------|----------|----------|
|                          | Present              | Proposed | Change   |
| 5/8" Meter               | \$ 13.00             | \$ 36.75 | \$ 23.75 |
| 3/4" Meter               | 15.00                | 36.75    | 21.75    |
| 1" Meter                 | 37.50                | 91.88    | 54.38    |
| 1.5" Meter               | 75.00                | 183.75   | 108.75   |
| 2" Meter                 | 145.00               | 294.00   | 149.00   |
| 3" Meter                 | 225.00               | 588.00   | 363.00   |
| 4" Meter                 | 700.00               | 918.75   | 218.75   |
| 6" Meter                 | 700.00               | 1,837.50 | 1,137.50 |
| 8" Meter                 | N/A                  | 3,675.00 | N/A      |

Fire Sprinkler Service \* N/A N/A  
\* 1% of Monthly Minimum for a Comparable Sized Meter Connection, but no less than \$5.00 per month.

**Commodity Rate Charges:**

| Potable Water - All Meter Sizes and Classes | Rate Block  |             | Volumetric Charge (/K Gal) |          |        |
|---|-------------|-------------|----------------------------|----------|--------|
|   | Present     | Proposed    | Present                    | Proposed | Change |
| Tier One Breakover (K Gal)                  | 999,999,999 | 1           | \$ 2.86                    | \$ 1.00  | varies |
| Tier Two Breakover (K Gal)                  | N/A         | 5           | N/A                        | 2.10     | varies |
| Tier Three Breakover (K Gal)                | N/A         | 10          | N/A                        | 2.30     | varies |
| Tier Four Breakover (K Gal)                 | N/A         | 18          | N/A                        | 2.75     | varies |
| Tier Five Breakover (K Gal)                 | N/A         | 25          | N/A                        | 3.50     | varies |
| Tier Six Breakover (K Gal)                  | N/A         | 999,999,999 | N/A                        | 4.28     | varies |

Conservation Rebate Threshold ("CBT") 6,701 gallons  
Commodity rate rebate applied if consumption is below the CBT: 59%

| Service Line & Meter Installation Charges * | Present   | Proposed  | Change    |
|---|-----------|-----------|-----------|
| 5/8" Meter                                  | \$ 360.00 | \$ 600.00 | \$ 240.00 |
| 3/4" Meter                                  | 360.00    | 700.00    | 340.00    |
| 1" Meter                                    | 400.00    | 810.00    | 410.00    |
| 1.5" Meter                                  | 630.00    | 1,075.00  | 445.00    |
| 2" Turbo                                    | 880.00    | 1,875.00  | 995.00    |
| 2" Compound                                 | 880.00    | 2,720.00  | 1,840.00  |
| 3" Turbo                                    | 1,040.00  | 2,715.00  | 1,675.00  |
| 3" Compound                                 | 1,040.00  | 3,710.00  | 2,670.00  |
| 4" Turbo                                    | 2,890.00  | 4,160.00  | 1,270.00  |
| 4" Compound                                 | 2,890.00  | 5,315.00  | 2,425.00  |
| 6" Turbo                                    | 4,020.00  | 7,235.00  | 3,215.00  |
| 6" Compound                                 | 4,020.00  | 9,250.00  | 5,230.00  |
| 8" Turbo                                    | N/A       | Cost      | N/A       |
| 8" Compound                                 | N/A       | Cost      | N/A       |

\*Plus actual road crossing charges

| Miscellaneous Service Charges                      | Present                   | Proposed                  |
|--|---------------------------|---------------------------|
| Establishment of Service                           | \$ 30.00                  | \$ 50.00                  |
| Establishment of Service - After Hours             | 45.00                     | 100.00                    |
| Re-establishment of Service (Within 12 Months)     | *                         | *                         |
| Reconnection of Service (Delinquent)               | 30.00                     | 75.00                     |
| Reconnection of Service - After Hours (Delinquent) | N/A                       | 100.00                    |
| Meter Move at Customer Request                     | **                        | Per AAC R14-2-405.B.5     |
| After Hours Service Charge, Per Hour               | -                         | 50.00                     |
| Deposit  | ***                       | ***                       |
| Meter Re-Read (If Correct)                         | 25.00                     | 30.00                     |
| Meter Test Fee (If Correct)                        | 35.00                     | 50.00                     |
| NSF Check  | 15.00                     | 30.00                     |
| Late Payment Charge (Per Month)                    | Greater of 1.5% or \$5.00 | Greater of 1.5% or \$5.00 |
| Deferred Payment Charge (Per Month)                | Greater of 1.5% or \$3.50 | Greater of 1.5% or \$3.50 |

\* Number of Months off System times the monthly minimum per A.A.C. R14-2-403(D).

\*\* Cost to include parts, labor, overhead and all applicable taxes.

\*\*\* Per A.A.C. R14-2-403(B).

**Monthly Minimum Charges:**

| Meter Size (All Classes) | Basic Service Charge |          |          |
|--------------------------|----------------------|----------|----------|
|                          | Present              | Proposed | Change   |
| 5/8" Meter               | \$ 13.00             | \$ 41.50 | \$ 28.50 |
| 3/4" Meter               | 25.00                | 41.50    | 16.50    |
| 1" Meter                 | 37.50                | 103.75   | 66.25    |
| 1.5" Meter               | 75.00                | 207.50   | 132.50   |
| 2" Meter                 | 145.00               | 332.00   | 187.00   |
| 3" Meter                 | 225.00               | 664.00   | 439.00   |
| 4" Meter                 | 700.00               | 1,037.50 | 337.50   |
| 6" Meter                 | 700.00               | 2,075.00 | 1,375.00 |
| 8" Meter                 | N/A                  | 4,150.00 | N/A      |

Fire Sprinkler Service \* N/A N/A  
\* 1% of Monthly Minimum for a Comparable Sized Meter Connection, but no less than \$5.00 per month.

**Commodity Rate Charges:**

| Potable Water - All Meter Sizes and Classes | Rate Block  |             | Volumetric Charge (/K Gal) |          |        |
|---|-------------|-------------|----------------------------|----------|--------|
|   | Present     | Proposed    | Present                    | Proposed | Change |
| Tier One Breakover (K Gal)                  | 999,999,999 | 1           | \$ 2.86                    | \$ 1.00  | varies |
| Tier Two Breakover (K Gal)                  | N/A         | 5           | N/A                        | 2.45     | varies |
| Tier Three Breakover (K Gal)                | N/A         | 10          | N/A                        | 2.70     | varies |
| Tier Four Breakover (K Gal)                 | N/A         | 18          | N/A                        | 3.25     | varies |
| Tier Five Breakover (K Gal)                 | N/A         | 25          | N/A                        | 3.93     | varies |
| Tier Six Breakover (K Gal)                  | N/A         | 999,999,999 | N/A                        | 4.88     | varies |

Conservation Rebate Threshold ("CBT") 7,001 gallons  
Commodity rate rebate applied if consumption is below the CBT: 49%

| Service Line & Meter Installation Charges * | Present   | Proposed  | Change    |
|---|-----------|-----------|-----------|
| 5/8" Meter                                  | \$ 360.00 | \$ 600.00 | \$ 240.00 |
| 3/4" Meter                                  | 360.00    | 700.00    | 340.00    |
| 1" Meter                                    | 400.00    | 810.00    | 410.00    |
| 1.5" Meter                                  | 630.00    | 1,075.00  | 445.00    |
| 2" Turbo                                    | 880.00    | 1,875.00  | 995.00    |
| 2" Compound                                 | 880.00    | 2,720.00  | 1,840.00  |
| 3" Turbo                                    | 1,040.00  | 2,715.00  | 1,675.00  |
| 3" Compound                                 | 1,040.00  | 3,710.00  | 2,670.00  |
| 4" Turbo                                    | 2,890.00  | 4,160.00  | 1,270.00  |
| 4" Compound                                 | 2,890.00  | 5,315.00  | 2,425.00  |
| 6" Turbo                                    | 4,020.00  | 7,235.00  | 3,215.00  |
| 6" Compound                                 | 4,020.00  | 9,250.00  | 5,230.00  |
| 8" Turbo                                    | N/A       | Cost      | N/A       |
| 8" Compound                                 | N/A       | Cost      | N/A       |

\*Plus actual road crossing charges

| Miscellaneous Service Charges                      | Present                   | Proposed                  |
|--|---------------------------|---------------------------|
| Establishment of Service                           | \$ 30.00                  | \$ 50.00                  |
| Establishment of Service (After Hours)             | 45.00                     | 100.00                    |
| Re-establishment of Service (Within 12 Months)     | *                         | *                         |
| Reconnection of Service (Delinquent)               | 30.00                     | 75.00                     |
| Reconnection of Service - After Hours (Delinquent) | N/A                       | 100.00                    |
| Meter Move at Customer Request                     | **                        | Per AAC R14-2-405.B.5     |
| After Hours Service Charge, Per Hour               | -                         | 50.00                     |
| Deposit  | ***                       | ***                       |
| Meter Re-Read (If Correct)                         | 25.00                     | 30.00                     |
| Meter Test Fee (If Correct)                        | 35.00                     | 50.00                     |
| NSF Check  | 15.00                     | 30.00                     |
| Late Payment Charge (Per Month)                    | Greater of 1.5% or \$5.00 | Greater of 1.5% or \$5.00 |
| Deferred Payment Charge (Per Month)                | Greater of 1.5% or \$3.50 | Greater of 1.5% or \$3.50 |

\* Number of Months off System times the monthly minimum per A.A.C. R14-2-403(D).

\*\* Cost to include parts, labor, overhead and all applicable taxes.

\*\*\* Per A.A.C. R14-2-403(B).

**Monthly Minimum Charges:**

| Meter Size (All Classes) | Basic Service Charge |               |          |
|--------------------------|----------------------|---------------|----------|
|                          | Present              | Proposed      | Change   |
| 5/8" Meter               | \$ 16.00             | \$ 41.50      | \$ 25.50 |
| 3/4" Meter               | 16.00                | 41.50         | 25.50    |
| 1" Meter                 | 40.00                | 103.75        | 63.75    |
| 1.5" Meter               | 80.00                | 207.50        | 127.50   |
| 2" Meter                 | 128.00               | 332.00        | 204.00   |
| 3" Meter                 | 240.00               | 664.00        | 424.00   |
| 4" Meter                 | 400.00               | 1,037.50      | 637.50   |
| 6" Meter                 | 820.00               | 2,075.00      | 1,255.00 |
| 8" Meter                 | N/A                  | 4,150.00      | N/A      |
| Construction/Standpipe   | 150.00               | Same as Above | N/A      |

**Commodity Rate Charges:**

| Potable Water - All Meter Sizes and Classes                    | Rate Block    |             | Volumetric Charge (/K Gal) |          |        |
|--|---------------|-------------|----------------------------|----------|--------|
|  | Present       | Proposed    | Present                    | Proposed | Change |
| Tier One Breakover (K Gal)                                     | 12            | 1           | \$ 2.75                    | \$ 1.00  | varies |
| Tier Two Breakover (K Gal)                                     | 999,999,999   | 5           | 3.75                       | 2.45     | varies |
| Tier Three Breakover (K Gal)                                   | N/A           | 10          | N/A                        | 2.70     | varies |
| Tier Four Breakover (K Gal)                                    | N/A           | 18          | N/A                        | 3.25     | varies |
| Tier Five Breakover (K Gal)                                    | N/A           | 25          | N/A                        | 3.93     | varies |
| Tier Six Breakover (K Gal)                                     | N/A           | 999,999,999 | N/A                        | 4.88     | varies |
| Conservation Rebate Threshold ("CBT")                          | 7,001 gallons |             |                            |          |        |
| Commodity rate rebate applied if consumption is below the CBT: | 49%           |             |                            |          |        |

| Service Line & Meter Installation Charges * | Present   | Proposed  | Change    |
|---|-----------|-----------|-----------|
| 5/8" Meter                                  | \$ 485.00 | \$ 600.00 | \$ 115.00 |
| 3/4" Meter                                  | 485.00    | 700.00    | 215.00    |
| 1" Meter                                    | 570.00    | 810.00    | 240.00    |
| 1.5" Meter                                  | 740.00    | 1,075.00  | 335.00    |
| 2" Turbo                                    | 1,235.00  | 1,875.00  | 640.00    |
| 2" Compound                                 | 1,235.00  | 2,720.00  | 1,485.00  |
| 3" Turbo                                    | 2,340.00  | 2,715.00  | 375.00    |
| 3" Compound                                 | 2,340.00  | 3,710.00  | 1,370.00  |
| 4" Turbo                                    | 2,700.00  | 4,160.00  | 1,460.00  |
| 4" Compound                                 | 2,700.00  | 5,315.00  | 2,615.00  |
| 6" Turbo                                    | 5,035.00  | 7,235.00  | 2,200.00  |
| 6" Compound                                 | 5,035.00  | 9,250.00  | 4,215.00  |
| 8" Turbo                                    | N/A       | Cost      | N/A       |
| 8" Compound                                 | N/A       | Cost      | N/A       |

\*Plus actual road crossing charges

| Miscellaneous Service Charges                      | Present  | Proposed                  |
|--|----------|---------------------------|
| Establishment of Service                           | \$ 30.00 | \$ 50.00                  |
| Establishment of Service (After Hours)             | 40.00    | 100.00                    |
| Re-establishment of Service (Within 12 Months)     | *        | *                         |
| Reconnection of Service (Delinquent)               | 30.00    | 75.00                     |
| Reconnection of Service - After Hours (Delinquent) | N/A      | 100.00                    |
| Meter Move at Customer Request                     | **       | Per AAC R14-2-405.B.5     |
| After Hours Service Charge, Per Hour               | -        | 50.00                     |
| Deposit  | ***      | ***                       |
| Meter Re-Read (If Correct)                         | 20.00    | 30.00                     |
| Meter Test Fee (If Correct)                        | 30.00    | 50.00                     |
| NSF Check  | 15.00    | 30.00                     |
| Late Payment Charge (Per Month)                    | 1.50%    | Greater of 1.5% or \$5.00 |
| Deferred Payment Charge (Per Month)                | 1.50%    | Greater of 1.5% or \$3.50 |

\* Number of Months off System times the monthly minimum per A.A.C. R14-2-403(D).

\*\* Cost to include parts, labor, overhead and all applicable taxes.

\*\*\* Per A.A.C. R14-2-403(B).

**Monthly Minimum Charges:**

| Meter Size (All Classes) | Basic Service Charge |          |          |
|--------------------------|----------------------|----------|----------|
|                          | Present              | Proposed | Change   |
| 5/8" Meter               | \$ 17.50             | \$ 41.50 | \$ 24.00 |
| 3/4" Meter               | 17.50                | 41.50    | 24.00    |
| 1" Meter                 | 45.00                | 103.75   | 58.75    |
| 1.5" Meter               | 85.00                | 207.50   | 122.50   |
| 2" Meter                 | 145.00               | 332.00   | 187.00   |
| 3" Meter                 | 270.00               | 664.00   | 394.00   |
| 4" Meter                 | 450.00               | 1,037.50 | 587.50   |
| 6" Meter                 | 900.00               | 2,075.00 | 1,175.00 |
| 8" Meter                 | N/A                  | 4,150.00 | N/A      |

**Commodity Rate Charges:**

| Potable Water - All Meter Sizes and Classes | Rate Block  |             | Volumetric Charge (/K Gal) |          |        |
|---|-------------|-------------|----------------------------|----------|--------|
|   | Present     | Proposed    | Present                    | Proposed | Change |
| Tier One Breakover (K Gal)                  | 12          | 1           | \$ 4.10                    | \$ 1.00  | varies |
| Tier Two Breakover (K Gal)                  | 999,999,999 | 5           | 5.25                       | 2.45     | varies |
| Tier Three Breakover (K Gal)                | N/A         | 10          | N/A                        | 2.70     | varies |
| Tier Four Breakover (K Gal)                 | N/A         | 18          | N/A                        | 3.25     | varies |
| Tier Five Breakover (K Gal)                 | N/A         | 25          | N/A                        | 3.93     | varies |
| Tier Six Breakover (K Gal)                  | N/A         | 999,999,999 | N/A                        | 4.88     | varies |
| Construction/Standpipe                      |             |             |                            |          |        |
| Tier One Breakover (K Gal)                  | 999,999,999 | -           | \$ 4.10                    | \$ 1.00  | varies |
| Tier Two Breakover (K Gal)                  | N/A         | -           | N/A                        | 2.45     | varies |
| Tier Three Breakover (K Gal)                | N/A         | -           | N/A                        | 2.70     | varies |
| Tier Four Breakover (K Gal)                 | N/A         | -           | N/A                        | 3.25     | varies |
| Tier Five Breakover (K Gal)                 | N/A         | -           | N/A                        | 3.93     | varies |
| Tier Six Breakover (K Gal)                  | N/A         | 999,999,999 | N/A                        | 4.88     | varies |

**All Meter Sizes and Classes**

Conservation Rebate Threshold ("CBT") 7,001 gallons  
Commodity rate rebate applied if consumption is below the CBT: 49%

| Service Line & Meter Installation Charges * | Present   | Proposed  | Change    |
|---|-----------|-----------|-----------|
| 5/8" Meter                                  | \$ 485.00 | \$ 600.00 | \$ 115.00 |
| 3/4" Meter                                  | 485.00    | 700.00    | 215.00    |
| 1" Meter                                    | 570.00    | 810.00    | 240.00    |
| 1.5" Meter                                  | 775.00    | 1,075.00  | 300.00    |
| 2" Turbo                                    | 1,900.00  | 1,875.00  | (25.00)   |
| 2" Compound                                 | 1,900.00  | 2,720.00  | 820.00    |
| 3" Turbo                                    | 2,490.00  | 2,715.00  | 225.00    |
| 3" Compound                                 | 2,490.00  | 3,710.00  | 1,220.00  |
| 4" Turbo                                    | 3,615.00  | 4,160.00  | 545.00    |
| 4" Compound                                 | 3,615.00  | 5,315.00  | 1,700.00  |
| 6" Turbo                                    | 6,810.00  | 7,235.00  | 425.00    |
| 6" Compound                                 | 6,810.00  | 9,250.00  | 2,440.00  |
| 8" Turbo                                    | N/A       | Cost      | N/A       |
| 8" Compound                                 | N/A       | Cost      | N/A       |

\*Plus actual road crossing charges

| Miscellaneous Service Charges                      | Present  | Proposed                  |
|--|----------|---------------------------|
| Establishment of Service                           | \$ 30.00 | \$ 50.00                  |
| Establishment of Service (After Hours)             | 45.00    | 100.00                    |
| Re-establishment of Service (Within 12 Months)     | -        | -                         |
| Reconnection of Service (Delinquent)               | 30.00    | 75.00                     |
| Reconnection of Service - After Hours (Delinquent) | N/A      | 100.00                    |
| Meter Move at Customer Request                     | **       | Per AAC R14-2-405.B.5     |
| After Hours Service Charge, Per Hour               | -        | 50.00                     |
| Deposit  | ***      | ***                       |
| Meter Re-Read (If Correct)                         | 20.00    | 30.00                     |
| Meter Test Fee (If Correct)                        | -        | 50.00                     |
| NSF Check  | 15.00    | 30.00                     |
| Late Payment Charge (Per Month)                    | \$ 3.00  | Greater of 1.5% or \$5.00 |
| Deferred Payment Charge (Per Month)                | 1.50%    | Greater of 1.5% or \$3.50 |

\* Number of Months off System times the monthly minimum per A.A.C. R14-2-403(D).

\*\* Cost to include parts, labor, overhead and all applicable taxes.

\*\*\* Per A.A.C. R14-2-403(B).